

Service Date: March 13, 2003

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF LANDMARK WATER)	UTILITY DIVISION
CO., LLC, Application for Approval of Initial)	
Rates and Charges for Water Service)	DOCKET NO. D2003.2.24
)	ORDER NO. 6485
)	
)	

INTERIM ORDER

BACKGROUND

1. On February 19, 2003, Landmark Water Co. LLC (LWC), 4135 Valley Commons Drive, Suite A, Bozeman, Montana 59718, filed before the Public Service Commission (PSC) an application for approval of initial rates and charges for water service provided to customers in the Landmark Development Subdivision in or near Belgrade, Montana. LWC states that it is a privately held water utility for a single family residential development designed for a total of 240 lots, 72 lots are constructed, the remaining units are scheduled to be completed in subsequent phases by 2005, with final sales and all meter hookups targeted for 2007. LWC is requesting initial base rates of \$29.75 per month. This includes the meter charge and the first 6,000 gallons of water usage, regardless of usage. Water used in excess of the first 6,000 per meter will be charged at the rate of \$1.88 per thousand gallons or \$0.00188 per gallon.

2. On March 5, LWC requested an interim rate approval at the proposed rate of \$29.75 per month and a commodity charge of \$0.00188 per gallon in excess of 6,000 gallons. The reasons cited include the fact that there is a growing customer base and the amount of time the rate case will take. LWC concurs that if there are any excess revenues collected as a result of the rate case or review process, those revenues would be refunded.

3. Upon review, the PSC finds for interim purposes only, the proposed interim rates to be fair, just and reasonable.

CONCLUSIONS OF LAW

1. LWC provides water service within the State of Montana and as such is a “public utility” within the meaning of § 69-3-101, MCA.
2. The PSC properly exercises jurisdiction over LWC’s rates and operations pursuant to Title 69, Chapter 3, MCA.
3. The PSC may at its discretion, within the scope of § 69-3-304, MCA, make temporary approvals of requests pending a hearing or final decision.
4. The rate level and spread approved in the Interim Order are a reasonable means of providing interim relief to LWC. The rebate provisions of § 69-3-304, MCA, protect ratepayers until there is a Final Order in this Docket.

ORDER

1. LWC shall implement, on an interim basis, initial rates of \$29.75 per month per customer.
2. LWC shall implement a commodity charge of \$0.188 per gallon in excess of 6,000 gallons per month used by an individual customer.
3. LWC shall adhere to and abide by all provisions in the Interim Order.
4. All rate schedules shall comply with all determinations set forth in the Interim Order.
5. LWC must file tariffs in compliance with the Findings of Fact in the Interim Order.
6. Nothing in this Interim Order precludes the PSC from adopting in its Final Order a rate and revenue requirement different from that contained in this Interim Order.
7. Any interest associated with a refund that might result from the final revenue increase granted in this Order will be computed at LWC’s approved return on equity.
8. Interim approval of any matters in this proceeding should not be viewed as a final endorsement by the PSC of any issues, calculations, or methodologies approved in this Interim Order.
9. This Interim Order is effective for all services rendered on and after March 11, 2003.

DONE IN OPEN SESSION at Helena, Montana on this 11th day of March 2003 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGSON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.